

Chapter 7: Housing

Housing Renter Costs: Renter Households

HOUSING COSTS: RENTER HOUSEHOLDS

The U.S. Census Bureau collects several types of data on renter-occupied housing units that indicate rental housing costs and affordability in Houston. These include median and gross rent, rent as a percentage of household income for households with different income levels as well as by different age groups of the householders.

In 2000, of the 718,231 occupied housing units in the City of Houston, 54% were renter-occupied. This represents only marginal change since 1990, when 55% of all housing units were renter-occupied.

Key trends between 1990 and 2000 are:

- **There was strong growth in rental housing units between 1990 and 2000.** Between 1990 and 2000, the total number of renter-occupied housing units increased by 8.1% for a total of 379,290 such units. The largest increase was in the number of units with gross rents ranging between 750 to \$1,000 per month. In 2000, 57,792 households paid rent in this range, a tremendous increase from 14,496 such households in 1990.
- **Median Gross Rent increased from \$462 to \$575, at a faster pace than household income.** Median gross rent increased by 24%, while median household income increased by only 18% between 1990 and 2000.
- **Median Gross Rent in general is higher in the western half of the city and in the extreme northeast and southeast.** This is the same geographic pattern as household incomes. The highest median rents in both 1990 and 2000 were found in Kingwood, Meyerland, and Memorial, all high-income Super Neighborhoods. In 1990 these three Super Neighborhoods, median gross rent was below \$750, while they are over \$1,000 in 2000. While Downtown and Midtown are perceived to have high rents, the 2000 median for both areas was below \$800, while in 1990 they were below \$550.
- **Between 1990 and 2000, there was little change in the overall breakdown of renter households and rental housing costs relative to income.** Both in 1990 and 2000, the largest proportion of renter households (more than 1/3rds of all renter households) spent less than 20% of their household income on rent, while the smallest proportion (almost 1/4th of all renter households) spent 20% to 30% of their income on rent. Those renter households that were below the affordability standard (spending more than 30% of income on rent) accounted for about 1/3rds of all renter households in the City.

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- **About 1/3rd of all renter households continue to live in housing that is unaffordable relative to their income.** Housing is generally considered to be unaffordable when it costs more than 30% of a household's income. By this standard, about 1/3 of Houston's renter households live in housing that is not affordable to them. Although the number of such households increased 14% from 1990 to 2000, the percentage of the City's households with this problem is basically unchanged, due to the corresponding growth in the total number of renter-households. Compared to higher income areas, there are more renter households in lower income areas such as the northeast or south-central portions of the City where rental housing is unaffordable. This may be caused by unduly high rents or by especially low incomes.
- **Housing affordability is an issue especially for seniors.** Renter households headed by seniors are almost twice as likely to pay more than 30% of their income for rent than younger renters (57% for seniors vs. 35% for others). This has improved since 1990, when 73% of senior renters lived in housing unaffordable to them.
- **Almost all of the renter-households that spend more than 30% of their income on rental costs have incomes below \$35,000.** In 2000, over 95% of the renter households paying more than 30% of their income to rent earned less than \$35,000 per year, compared to 99% in 1990. Interestingly, the lowest income bracket (less than \$10,000) saw a substantial decrease in the number of renter households spending over 30% of their income on rent, while the next highest income bracket (\$10,000-\$19,999) saw a substantial increase.